



NASA
Procedural
Requirements

COMPLIANCE IS MANDATORY

NPR 9260.1

Effective Date: September 30,
2008

Expiration Date: September
30, 2013

Revenue, Unfunded Liabilities and Other Liabilities

Responsible Office: Office of the Chief Financial Officer

Table of Contents

Preface

- P.1 Purpose
- P.2 Applicability
- P.3 Authority
- P.4 Applicable Documents
- P.5 Measurement/Verification
- P.6 Cancellation

Chapter 1. Unfunded Liabilities, Unearned Revenues, and Other Liabilities

- 1.1 Overview
- 1.2 Agency Requirements
- 1.3 Roles and Responsibilities

Chapter 2. Environmental and Other Contingent Liabilities

- 2.1 Overview
- 2.2 Agency Requirements
- 2.3 Roles and Responsibilities

Chapter 3. Revenues, Other Financing Sources, and Gains

- 3.1 Overview
- 3.2 Agency Requirements
- 3.3 Roles and Responsibilities
- 3.4 Revenue Types and Sources

Appendix A. Definitions

Appendix B. Required Attributes for the Standard General Ledger Accounts

Preface

P.1. Purpose

This NASA Procedural Requirements (NPR) document provides the financial management requirements for handling the accounting for NASA Unfunded Liabilities, Unearned Revenues, Other Liabilities, Revenues, and Other Financing Sources and Gains.

P.2. Applicability

This NPR is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to JPL, other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

P.3. Authority

- a. OMB Bulletin No. 01-02, Audit Requirements for Federal Financial Statements
- b. OMB Circular No. A-136, Financial Reporting Requirements
- c. Federal Agencies' Centralized Trial-Balance System (FACTS I)
- d. Statement of Federal Financial Accounting Concepts (SFFAC) No. 2
- e. Statement of Federal Financial Accounting Concepts No. 1, Objectives of Federal Financial Reporting
- f. Statement of Federal Financial Accounting Concepts No. 2, Entity and Display
- g. Statement of Federal Financial Accounting Standard (SFFAS), No. 1 Accounting for Selected Assets and Liabilities
- h. SFFAS No. 5, Accounting for Liabilities of the Federal Government Related to Environmental Cleanup
- i. SFFAS No. 6, Accounting for Property, Plant, and Equipment Related to Environmental Cleanup Costs
- j. SFFAS No.7, Accounting For Revenue And Other Financing Sources
- k. SFFAS No. 12, Recognition Of Contingent Liabilities Arising From Litigation
- l. SFFAS No. 21, Reporting Corrections of Errors and Changes in Accounting Principles
- m. Federal Accounting Standards Advisory Board (FASAB), Technical Bulletin 2006-1, "Recognition and Measurement of Asbestos-Related Cleanup Costs"
- n. FASAB Implementation Guide to Statement of Financing in SFFAS 7, Accounting for Revenue and Other Financing Sources: Detailed Information on the Statement of Financing
- o. Treasury Financial Manual, Volume I, Part 2, Chapter 4700

- p. Treasury Financial Manual, Supplement No. S2, United States Standard General Ledger
- q. Treasury, Financial Management Service, Federal Intragovernmental Transactions Accounting Policies Guide, "Agency Reporting Requirements"
- r. Accounting and Auditing Policy Committee, Technical Release 2, "Determining Probable And Reasonably Estimable For Environmental Liabilities Guidance," March 15, 1998
- s. American Institute of Certified Public Accountants (AICPA), Statement of Position 96-1, "Environmental Remediation Liabilities" October 10, 1996
- t. NASA Policy Directive (NPD) 9010.2, "Financial Management"

P.4. Applicable Documents

- a. NPD 8730.5 "NASA Quality Assurance Program Policy"
- b. NASA Continuous Monitoring Program

P.5. Measurement/Verification

Quality control reviews and analysis of financial and budgetary reports and data submitted through the continuous monitoring program will be used to measure compliance with this NPR.

None.

/S/

Terry Bowie

NASA Deputy Chief Financial Officer

Chapter 1. Unfunded Liabilities, Unearned Revenues, and Other Liabilities

1.1 Overview

1.1.1 This chapter prescribes the policies for the handling the accounting for NASA Unfunded Liabilities, Unearned Revenues, and other Liabilities not covered in other NPRs.

1.2 Agency Requirements

1.2.1 Accounting for NASA Unfunded Liabilities, Unearned Revenues, and Other Liabilities shall be conducted in accordance with Department of Treasury policies and procedures, and applicable Statement of Federal Accounting Standards, and Statement of Federal Accounting Concepts.

1.2.2 NASA records all accounting transactions in the NASA agency accounting system. The general ledger account entries for NASA Unfunded Liabilities, Unearned Revenues and Other Liabilities must be recorded in accordance with the U.S. Standard General Ledger (USSGL) as prescribed by the Department of Treasury.

1.3 Roles and Responsibilities

1.3.1 NASA Chief Financial Officer (CFO). Shall be responsible for reporting of Unfunded Liabilities, Unearned Revenues, and Other Liabilities and ensuring compliance with U.S. Treasury and other U.S. Government requirements.

1.3.2 Director, Financial Management Division, NASA OCFO. Shall prepare and submit to the CFO Unfunded Liabilities, Unearned Revenues, and Other Liabilities in accordance with U.S. Government requirements.

1.3.3 NASA Shared Services Center and NASA Centers. Shall record Unfunded Liabilities, Unearned Revenues and Other Liabilities transactions in accordance with U.S. Government requirements.

Chapter 2. Environmental and Other Contingent Liabilities

2.1 Overview

2.1.1 This chapter describes the accounting policy for recognizing and disclosing environmental liabilities associated with NASA activities and/or ownership of land, facilities, and equipment by NASA as well as with environmental cleanup, known also as environmental restoration, at NASA Centers.

2.1.2 Legal action, with a potential negative outcome for NASA, can create a contingent liability that must be recognized in the Agency's financial statements. This chapter describes the accounting policy for recognizing and disclosing the Agency's contingent liabilities.

2.1.3 In all cases, recognition of an environmental or other contingent liability shall not be based on the future availability of funds. All liabilities meeting the requirements described in this chapter will be properly recorded in the system of record and reported to all concerned parties as set out in this chapter.

2.2 Agency Requirements

2.2.1 Classification of Contingent Liabilities: Probable, Reasonably Possible, and Remote.

2.2.1.1 Amounts classified as "Probable" and measurable are recognized in NASA's integrated accounting systems and reported on the consolidated balance sheet.

2.2.1.2 Amounts reported as "Reasonably Possible" are disclosed in the footnotes to the financial statements. A contingent liability should be disclosed in the notes to the financial statements if any of the conditions for liability recognition (probable and measurable) are not met and there is a reasonable possibility that a loss or additional loss may have been incurred. Disclosure should include the nature of the contingency and an estimate of the possible liability, an estimate of the range of the possible liability, or a statement that such an estimate cannot be made. Amounts that are probable, but not measureable, are also disclosed in the footnotes.

2.2.1.3 Amounts reported as "Remote" are not included in the reports.

2.2.2 Criteria for Recognition of a Contingent Liability (SFFAS No. 5). A contingent liability should be recognized and recorded in NASA's general ledger when all of these three conditions are met:

- a. A past event or exchange transaction has occurred (e.g., a Federal entity has breached a contract with a non- Federal entity).
- b. A future outflow or other sacrifice of resources is probable (e.g., the non-Federal entity has filed a legal claim against a Federal entity for breach of contract and the Federal entity's management believes the claim is more likely than not to be settled in favor of the claimant).
- c. The future outflow of resources is measurable (e.g., the Federal entity's management determines an estimated settlement amount). The estimated liability may be a specific amount or a range of amounts. If some amount within the range is a better estimate than any other amount within the range, that amount is recognized. If no amount within the range is a better estimate than any other

amount, the minimum amount in the range is recognized (posted to the general ledger) and the range and a description of the contingency should be disclosed in the notes to the financial statements.

2.2.3 Criteria for Determining Environmental Cleanup Costs. Key factors must be considered in determining whether a future outflow of resources from a Federal agency for environmental cleanup is probable. A detailed explanation of these factors can be found in Federal Financial Accounting and Auditing, Technical Release 2, "Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government." (Accounting and Auditing Policy) The factors are:

- a. Likely Contamination.
- b. Government Related and Legally Liable.
- c. Government Acknowledged Financial Responsibility.
- d. Monies Appropriated/Transaction Occurred.
- e. No Known Remediation Technology Exists.

2.2.4 Liability Cost Estimates.

2.2.4.1 Liability cost estimates may be prepared at the Center or other organizational level. Cost estimates prepared for this purpose shall consider the anticipated costs of the level of effort required to cleanup (i.e., remove, contain, or dispose of) hazardous waste, or contamination resulting from past transactions in accordance with applicable Federal, state, and local requirements. Cost estimates shall be revised when there is evidence that significant changes in the cost estimates have occurred. These liability cost estimates should be reviewed as required in section 9.4.1 of this NPR.

2.2.4.2 Liability cost estimates are subject to audit. The preparation of cost estimates may involve the application of specialized tools, methods, accumulation and study of historical costs, and/or the conduct of technical analyses. Organizations that prepare cost estimates must retain adequate documentation to identify data sources, estimating methods, and rationale used. Documentation of management reviews must also be retained. Any estimate produced must be based on site-specific information, engineering estimates, and/or validated cost models.

2.2.4.3 Liability cost estimates should be offset by estimated cash proceeds only when the proceeds are permitted to be used by the organization that funds the cleanup costs.

2.2.5 Liability for Cleanup of General PP&E.

2.2.5.1 The total cleanup costs shall be estimated when the associated PP&E is placed in service. The estimated cost shall be based on the current cleanup cost and shall be revised periodically to account for material changes such as changes in regulations, plan, and/or technology.

2.2.5.2 Liability for cleanup costs related to the operation of general PP&E shall be recognized in a systematic and rational manner based on use of the physical capacity of the associated PP&E or over the estimated useful life of the associated PP&E. This allocation of the total estimated cleanup costs over the use of the physical capacity or estimated useful life of the PP&E also results in the periodic recognition of the expense associated with cleanup liability.

2.2.5.3 Recognition of the expense and accumulation of the cleanup liability shall begin on the date that the PP&E is placed in service, continue each period that operation continues, and completed when the PP&E ceases operation. As re-estimates are made, the cumulative effect of changes in total estimated cleanup costs related to current and past operations shall be recognized as expense and the liability shall be adjusted in the period of change in estimate.

2.2.5.4 Payments of cleanup costs shall be recognized as a reduction in the liability for cleanup costs. These include the cost of PP&E or other assets acquired for use in cleanup activities.

2.2.6 Liability for Cleanup of Stewardship PP&E.

2.2.6.1 The total estimated cleanup costs associated with stewardship PP&E shall be recognized as a liability and expense in the period that the stewardship asset is placed in service. The liability shall be adjusted when the estimated total cleanup costs are re-estimated as described in section 9.2.5.A above.

2.2.6.2 As cleanup costs are paid, payment shall be recognized as a reduction in the liability for cleanup costs. These include the cost of PP&E or other assets acquired for use in cleanup activities.

2.2.7 Recording and Reporting Liability Cost.

2.2.7.1 Environmental Liabilities.

2.2.7.1.1 During the year, NASA's environmental engineers and scientists may be alerted to new information that may result in a change to existing (recorded) liabilities or a new, previously unrecorded liability. That information is processed in accordance with guidance described in the NASA Environmental Restoration Handbook which provides guidance used to address contamination in conformance with the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980 (Pub. L. 96-510, as amended) and the Resource Conservation and Recovery Act (RCRA) of 1976 (Pub. L. 94-580, as amended), and other applicable laws.

2.2.7.1.2 Each fiscal year, the Office of Infrastructure and Administration, Headquarters Environmental Management Division (EMD), issues a data request to all the Center Environmental Management Office's (CEMOs) for an estimate of potential environmental liabilities. The estimate is derived by each Center utilizing the Integrated Data Evaluation and Analysis Library (IDEAL) or User Defined Estimates (UDEs). The IDEAL System creates reports for each individual project. IDEAL generated reports contain updated assumptions made during the year for the project and form a basis for any accrued liability.

2.2.7.1.3 The environmental liability estimates are summarized and submitted to the Agency Office of Chief Financial Officer (OCFO) for review and approval. The Center Office of the Chief Financial Officer (COCFO) is responsible for posting the adjustment to the Agency integrated accounting system. The new balance is reported on the Trial Balance prior to the generation of the annual Performance and Accountability Report (PAR).

2.2.7.1.4 The CEMOs are the official depository for all records, both electronic and hardcopy, which support estimates for environmental liabilities. Summarized data submitted through the CEMOs to the COCFO for recording and disclosure should be supported by the official records.

2.2.7.2 Other Contingent Liabilities.

2.2.7.2.1 At the close of the year, the Office of Chief Counsel (OCC) at each Center provides, during the fourth quarter of the fiscal year, information relating to all pending or threatened litigation, claims, and assessments, including cases to be paid from the Judgment Fund against NASA to the Office of the General Counsel (OGC) at NASA Headquarters. (This information is provided at the request of the Center CFO.) The OGC consolidates the information received from all Center OCCs and OGC's own information regarding any Headquarters-level litigation, claims, and assessments into a single report and provide this report to the Agency OCFO. Data is due to the Agency OCFO by September 30.

2.2.7.2.2 The data collected, is summarized into three categories: Probable, Reasonably Possible,

and Remote. Probable includes amounts where there is more than a 50 percent chance of a payment being due. Reasonably Possible is when there is less than a 50 percent chance and Remote is when there is little or no chance of a payment being required in the future.

2.2.7.2.3 A summary of commitments and contingencies is reported annually by each COCFO and included as a line item or footnote to Federal Agencies' Centralized Trial-Balance System (FACTS I) and NASA's annual PAR. This data reflects NASA's position at the end of the fiscal year. The data includes all Agency financial commitments and contingencies stated at the maximum limit of risk.

2.2.7.2.4 Detailed Center reporting instructions are in Chapter 7, "Report on Summary of Commitments and Contingencies," of NPR 9310.1. Three categories of probability shall be identified in the transmittal: Probable, Reasonably Possible, and Remote.

2.2.7.3 Materiality.

2.2.7.3.1 The recognition and disclosure of liability cost estimates in financial statements is subject to materiality criterion. Statement of Federal Financial Accounting Standards No. 1, Accounting for Selected Assets and Liabilities states, "Materiality depends on the degree to which omitting or misstating information about an item makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or the misstatement."

2.2.7.3.2 Materiality has both quantitative and qualitative aspects. Even though quantitatively immaterial, certain types of misstatements could have a material impact and warrant disclosure in the financial statements for qualitative reasons.

2.2.7.3.3 The determination of materiality requires the application of professional judgment. The determination of materiality for any liability estimate will be made based on the specific facts of the case. Detailed records will be maintained to support all materiality decisions.

2.2.7.3.4 Liability estimates that are material shall be recorded in the accounting system and reported in financial statements as of the report date.

2.2.8 External Reporting. For external reporting requirements associated with environmental and other contingent liabilities, please refer to NPR 9310.1.

2.2.9 Continuous Monitoring Program (CMP). For detailed verification, reconciliation, and validation of unfunded environmental liabilities, please refer to the specific control activities described in the NASA Continuous Monitoring Program.

2.3 Roles and Responsibilities

2.3.1 Joint Review Team (JRT).

2.3.1.1 A joint review will be conducted to validate the Unfunded Environmental Liability (UEL) estimate and reconcile year to year changes by project. The review will determine if the estimate is reasonable and whether documentation exists to support the current estimate and the reconciliation of changes in estimates. The review will be conducted on site at each NASA Center.

2.3.1.2 The following offices will participate in the joint review:

- a. Headquarters Environmental Management Division (EMD)
- b. Agency Office of Chief Financial Officer (OCFO)

c. Center Environmental Management Office (CEMO)

d. Center Office of the Chief Financial Officer (Center COCFO)

2.3.2. Center Environmental Management Offices (CEMOs). CEMOs are responsible for:

a. Planning, budgeting, and management of contractual effort for the implementation of restoration projects to reduce NASA's environmental liability.

b. Estimating, documenting, and processing changes to environmental liability estimates in IDEAL. CEMOs are also responsible for creating UDEs of environmental liabilities outside of IDEAL and uploading it to the IDEAL for review and documentation. Documentation supporting the restoration process and the environmental liability estimates in IDEAL may include but are not limited to the following:

- (1) Engineering assumptions including modifications and changes due to new technology.
- (2) Experience and professional judgment used to arrive at an estimate for a restoration project.
- (3) Preliminary assessments, Sampling Reports.
- (4) Remedial Investigations, RCRA, Facility Investigations.
- (5) Feasibility Studies and/or Corrective Measures Studies.
- (6) Record of Decision.
- (7) Remedial design.
- (8) Contractor Quote.
- (9) Determinations and/or Orders from regulators.
- (10) Input into the Note field containing reasons for assumptions.

c. When there is a change from the previous estimate of an environmental project, the CEMO shall be responsible for documenting the reasons for the change in IDEAL.

d. CEMOs shall be responsible for participating in the review of environmental liability estimates with the Joint Review Team during annual updates. Additional updates of environmental project estimates will occur for material changes due to significant events such as:

- (1) New probable and measurable sites identified.
- (2) Existing sites removed from environmental liability estimate, if fully funded or completed.
- (3) Liability estimate changes for any reason including the following:
 - (a) New information about the site increases project scope;
 - (b) Unexpected changes in remediation system performance;
 - (c) Schedule changes;
 - (d) New or revised regulation issued that significantly affects estimates;
 - (e) Regulatory action that significantly changes site cleanup requirements; and
 - (f) Major event cause changes to site condition (natural disaster, accident or incident).

e. Following regulatory criteria, understanding market conditions as they affect liability estimates, developing and reviewing lifecycle cost to complete, and the funding profile for the environmental liabilities. The CEMOs shall have the authority to delegate these responsibilities to the respective Restoration Project Managers (RPMs).

2.3.3 Headquarters Environmental Management Division (EMD). Headquarters EMD is responsible for managing the Environmental Compliance and Restoration Program and providing guidance on NASA environmental liability policy to the CEMOs. Headquarters EMD is also responsible for:

- a. Initiating the annual process to update the environmental liability estimates;
- b. Providing initial review of environmental liability estimates for completeness;
- c. Providing management review for reasonableness and accuracy through EMD Advocate participation on the Joint Review Team;
- d. Coordinating with NASA's Office of the Chief Financial Office (OCFO) External Reporting Branch to finalize and record the environmental liability estimate and footnote disclosures; and
- e. Managing, providing training for and supporting the IDEAL system.

2.3.4 Center Office of the Chief Financial Officer (COCFO). COCFO shall participate in the joint review of environmental liability estimates by CEMOs. In coordination with the Joint Review Team, the COCFO shall review estimates for environmental restoration projects. The COCFO shall record the approved environmental liability estimates in NASA's integrated accounting system.

2.3.5 Agency OCFO. Agency OCFO shall establish financial accounting policy for environmental liability estimates and provide guidance and clarification on policies to the NASA Centers. Agency OCFO shall participate in the joint review of the environmental liability estimates and notify COCFOs to record the environmental liability estimates in the Agency integrated accounting system.

Chapter 3. Revenues, Other Financing Sources, and Gains

3.1 Overview

3.1.1 This chapter sets forth the accounting policy to account for revenues, other financing sources, and gains. Revenues are defined as inflows of resources the Government demands, earns, or receives by donation. Revenue comes from two sources: exchange transactions and non-exchange transactions.

3.1.2 Revenue from exchange transactions should be the actual price received or receivable under the established pricing arrangement. Non-exchange revenue should be measured by the collecting entities, but should be recognized by the entities legally entitled to the revenue (the recipient entities). Revenue arising from donations should be recognized for those inflows of resources that meet recognition criteria for assets and should be measured at the estimated fair value of the contribution.

3.1.3 Other financing sources result from the use of appropriated funds, the receipt of transfers, and the recording of imputed financing. Exchange revenues arise when a government entity provides goods and services to the public or to another government entity for a price, or more specifically, the income resulting from completing customer orders. Non-exchange revenues arise primarily from the exercise of the government's power to demand payments from the public, such as taxes, duties, fines, and penalties. Non-exchange revenue also includes donations.

3.2 Agency Requirements

3.2.1 NASA policy is to recognize revenue when something of value is provided to the public or another government entity at a price or when the customer's accounting entity acknowledges a claim against its resources. NASA accounts for revenue in following four categories: Exchange Revenue, Non-exchange Revenue, Other Financing Sources, and Gains. NASA enters all accounting transactions for revenue in its integrated accounting system, Integrated Enterprise Management Program/SAP.

3.3 Roles and Responsibilities

3.3.1 The Director, Financial Management Division, NASA Headquarters, is responsible for establishing policies, standards and procedures applicable to NASA financial accounting and reporting functions and activities, and conducting periodic, systematic reviews of Center financial accounting and reporting practices.

3.3.2 At Centers, the Center Chief Financial Officer (CFO) and Deputy Chief Financial Officer, Finance (DCFO (F)) is responsible for application of the provisions of the NASA financial management policy and requirements and the needs and directives of Center management, under functional direction of the Director, Financial Management Division, and NASA Headquarters.

3.3.3 Officials-in-Charge of Program Offices shall determine management needs for data, status information, estimates and reports, consistent with the NPR provisions

3.4 Revenue Types and Sources.

3.4.1 Exchange Revenue. Exchange revenue and gains are inflows of resources to NASA that has earned. They arise from exchange transactions, which occur when each party to the transaction sacrifices value and receives value in return. Revenue from specific types of exchange transactions should be recognized as follows:

- a. When services are provided to the public or another government entity (except for specific services produced to order under a contract), revenue should be recognized when the services are performed.
- b. When specific goods or services are made or produced to order under a contract (either short or long term), revenue should be recognized monthly based on the ratio the costs incurred to date on that order bear to the total costs estimated to be incurred when the order is completed. If a loss is probable (more likely than not), revenue should continue to be recognized in proportion to the estimated total cost and costs should continue to be recognized when goods and services are acquired to fulfill the contract. Thus, the loss should be recognized in proportion to total cost over the life of the contract.
- c. When goods are kept in inventory so that they are available to customers when ordered, revenue should be recognized when the goods are issued to the customer.
- d. When services are rendered continuously over time or the right to use an asset extends continuously over time, revenue should be recognized in proportion to costs incurred or the use of the asset, as appropriate.
- e. When an asset other than inventory is sold, any gain (or loss) shall be recognized when the asset is delivered to the purchaser.
- f. Interest on Treasury Securities held by Trust Funds and Special Funds. The source of balances for some trust funds and special funds may not be predominantly nonexchange revenue. In such exceptional cases, the interest should be classified in the same way as the predominant source of funds, i.e., as exchange revenue.

3.4.2 Nonexchange Revenue. Nonexchange revenues are inflows of resources the government demands or receives by donation. Such revenue should be recognized when a specifically identifiable, legally enforceable claim to resources arises, to the extent that collection is probable (more likely than not) and the amount is reasonably estimable. Donations may be financial resources, such as cash or securities, or nonfinancial resources such as land or buildings. Within NASA, revenue arising from donations should be recognized for those inflows of resources that meet recognition criteria for assets and should be measured at the estimated fair market value of the contribution. In cases of donation of heritage assets, which are expensed if purchased, no amount is recognized if received as a donation. Correspondingly, no revenue is recognized for such donations.

3.4.3 Other Financing Sources. Other financing sources provide inflows of resources that increase results of operations during the reporting period and include appropriations used, transfers of assets from other government entities, and financing imputed with respect to any cost subsidies. Financing outflows may result from transfers of NASA's assets to other government entities. Unexpended appropriations are recognized separately in determining net position but are not financing sources until used.

3.4.4 Gains. When a transaction with the public or another government entity at a price is unusual or nonrecurring, a gain should be recognized rather than revenue so as to differentiate such transactions. Gains result from the sale, exchange, trade or disposition of government assets (with

the exception of inventory). As a general rule, any difference between the sales proceeds in excess of the book value of the assets is recognized as a gain when the asset is sold. This general rule applies to the sale of property, plant and equipment; receivables; investments; and other assets where the selling entity is entitled to retain the proceeds of the sale. In addition, the distinction between revenues and gains is a matter of classification in the general ledger accounts and their presentation in financial statements. Revenues are commonly reported at their gross amount while gains are shown net of related book value.

Appendix A. Definitions

A.1. Accounts Payable from Canceled Appropriations (SGL Account 2960). When an appropriation account is closed, any remaining balances in the account are required to be cancelled and are not available for obligation or expenditure for any purpose. However, legitimately incurred obligations that have not been paid at the time an appropriation is cancelled should be reinstated to Accounts Payable Canceled and paid out of a current unexpired appropriation that is available for obligation for the same purpose as the closed account.

A.2. Advances from Others (SGL Account 2310). This account is used to record funds received by other Federal and non-Federal entities in contemplation of the future delivery of services, goods or other assets.

A.3. All Advances. All advances, including those under any long-term contract in excess of revenue earned, shall be recorded as unearned revenue. The NASA activities receiving an advance (unearned revenue) shall record the amount received as a liability until payment is earned (goods or services have been delivered or contract terms met). After the payment is earned (performance has occurred), NASA activities shall record the appropriate amount as revenue and reduce the liability accordingly.

A.4. Contingency. Contingency is an existing condition, situation, or set of circumstances involving uncertainty as to possible gain or loss to an entity which will ultimately be resolved when one or more future events occur or fail to occur.

A.5. Contingent Liabilities. Contingent Liabilities (USSGL 2920) represents the amount that is recognized as a result of a past event where a future outflow or other sacrifice of resource is probable and measurable.

A.6. Custodial Liability (SGL Account 2980). This account is used to enter the amount of custodial revenue yet to be transferred to another Federal entity.

A.7. EMD Advocate. Headquarters individual or environmental specialist assigned with oversight responsibility for Center environmental cleanup projects.

A.8. Environmental Liability. Environmental Liability should be recognized when there is a probable and measurable future outflow of resources as of the financial reporting date for environmental cleanup costs resulting from past transactions or events.

A.9. Estimated Cleanup Cost Liability. Estimated Cleanup Cost Liability (USSGL 2995) represents the estimated liability for projected future cleanup costs (for which funding has not been appropriated) associated with removing, containing, and/or disposing of (1) contamination or hazardous waste from property, or (2) material and/or property consisting of hazardous waste or other environmentally regulated substances at permanent closure, temporary closure or shutdown of the associated property, plant, and equipment.

A.10. Exchange Revenue. Exchange revenue and gains are inflows of resources to NASA that have been earned. Exchange revenues arise when a Federal entity provides goods and services to the public or to another government entity for a price.

A.11. Expended Appropriations. Appropriations are used in operations when goods and services are received or benefits and grants are provided. Goods and services (including amounts capitalized) are considered provided to NASA when a liability is established.

A.12. Gains. When a transaction with the public or another government entity at a price is unusual

or nonrecurring, a gain should be recognized rather than revenue so as to differentiate such transactions. Gains result from the sale, exchange, trade or disposition of government assets (with the exception of inventory). As a general rule, any difference between the sales proceeds in excess of the book value of the assets is recognized as a gain when the asset is sold. This general rule applies to the sale of property, plant and equipment; receivables; investments; and other assets where the selling entity is entitled to retain the proceeds of the sale. In addition, the distinction between revenues and gains is a matter of classification in the general ledger accounts and their presentation in financial statements. Revenues are commonly reported at their gross amount while gains are shown net of related book value.

A.13. Imputed Financing. This amount includes financing of certain costs by one Federal entity on behalf of NASA (e.g., the payment of certain employee benefit costs by the Office of Personnel Management for employees of NASA). Imputed financing shall equal the amount of imputed costs.

A.14. Interest on Treasury Securities held by Trust Funds and Special Funds. The source of balances for some trust funds and special funds may not be predominantly nonexchange revenue. In such exceptional cases, the interest should be classified in the same way as the predominant source of funds, i.e., as exchange revenue.

A.15. Liability on Non-Entity Assets (SGL Account 2985). The amount of non-entity assets held in a General Fund receipt account or other Treasury Account Symbol for transfer to other entities. This account excludes amounts defined in SFFAS No. 7, paragraphs 45 and 49. For amounts collected or to be collected on behalf of the General Fund of the Treasury, that are not on the Statement of Custodial Activity or on a custodial footnote, use Federal Agencies' Centralized Trial-Balance System (FACTS I) attribute domain values Federal "F" and transaction partner "99" This USSGL account is included on the USSGL crosswalk for the Balance Sheet, but it is not included on the USSGL crosswalk for the Statement of Custodial Activity nor on a custodial footnote.

A.16. Liabilities-Not Otherwise Classified (SGL Account 2990). Other liabilities include measurable and probable expected future outflows of resources resulting from past transactions or events, and the estimated costs of conditions, situations, or circumstances that will be resolved in the future. "Other Liabilities" represents amounts not otherwise classified to specific liability accounts in this NPR.

A.17. Liability. Liability is a future outflow or other sacrifice of resources as a result of past transactions or events.

A.18. Liability Recognition. Recognized Liability means the formal recording or incorporating of a liability amount into the financial statements of the Agency. (Source: Federal Accounting Standards Advisory Board (FASAB) Consolidated Glossary).

A.19. Liability Disclosure. Disclosed Liability means the reporting of a liability in the notes that are an integral part of the financial statements. (Source: FASAB Consolidated Glossary).

A.20. Other Unfunded Employment Related Liability (SGL Account 2290). Amounts of unfunded employment related liabilities not covered by the current year's budget authority and not otherwise classified above. The account would include the unfunded liability for unemployment for Federal employees.

A.21. Other Financing Sources. Other financing sources provide inflows of resources that increase results of operations during the reporting period and include appropriations used, transfers of assets from other government agencies, and imputed financing.

A.22. Nonexchange Revenue. Nonexchange revenues include amounts the Federal Government is

able to demand or receive due to its sovereign powers.

A.23. Probable. Probable is defined as that which can reasonably be expected or believed to be more likely than not on the basis of available evidence or logic and includes amounts where there is a more than 50 percent chance of payment being made. The probability of a future outflow or other sacrifice of resources is assessed on the basis of current facts and circumstances. These current facts and circumstances include the law that provides general authority for Federal entity operations and specific budget authority to fund programs.

A.24. Reimbursable Activities. NASA provides services to other Federal agencies and to the public on a reimbursable basis. When a non-federal customer enters into a reimbursable agreement with NASA, the customer is required to pay for services in advance unless exempted by law or the requirement for an advance is waived by NASA. Generally, Federal customers are not required to pay for services in advance (see NPD 9090.1 for details on Reimbursable Agreements).

A.25. Reasonably Possible. Reasonably Possible means the chance of the future confirming event or events occurring is more than remote but less than probable.

A.26. Remote. Remote means the chance of the future event or events occurring is slight.

A.27. The Account for Liabilities for Funds Awaiting Final Disposition, Clearing and Undeposited Collections (SGL Account 2400). This account represents amounts in deposit funds for receipts held in suspense, temporarily for later refund or payment to some other Treasury fund or other entity, or held by the NASA as banker or agent for others for payment at the direction of the owner. The amounts in deposit funds may also represent budget clearing accounts awaiting disposition or reclassification. The liability includes United States (U.S.) currency and coin on hand, cash on deposit at designated depositories, cash in the hands of disbursing officers, cashiers and agents, negotiable instruments on hand, etc. Such funds are not available for paying salaries, grants, or other expenses of the federal government. Sources for entries to this account include requests for cash, cash collection vouchers, deposit tickets, and invoices for transferred funds.

A.28. Unfunded FECA Liability (SGL Account 2225). The amount of Federal Employees' Compensation Act (FECA) liability billed to agencies by the Department of Labor for FECA payments made on the agencies' behalves. The funding for the liability will be made from future appropriations.

A.29. Unfunded Leave (SGL Account 2220). The amount recorded by an employer agency for unpaid leave earned that the employee is entitled to upon separation and that will be funded from future years' appropriations.

A.30. Unfunded Liabilities. These liabilities are related to amounts due for employment but to be paid from future appropriations.

A.31. Unearned Revenues. These accounts consist of amounts received in advance for goods and services to be delivered at a future date, liens approved and accepted as claims on assets acquired through default, reimbursable activities for services provided by NASA.

A.32. Working Capital Fund (WCF) Activities. The appropriation language for NASA's WCF permits the fund to receive advances for supplies and services. Therefore, the WCF business entities shall be advanced funds identified in the WCF customer orders during the fiscal year, as required, to enable the WCF activity to pay for its costs of operation (see NPR 9095.1 for details on the Working Capital Fund Policy and Requirements).

Appendix B. Required Attributes for the Standard General Ledger Accounts

Account Number	USSGL Account Title	Normal Balance Indicator	Federal/ Non Federal	Trading Partner	Exchange/ Non Exchange	Budget Sub-function	Custodial/ Non Custodial
5200	Revenue From Services Provided	C	Y	Y	X	Y	
5209	Contra Revenue for Services Provided	D	Y	Y	X	Y	
5310	Interest Revenue - Other	C	Y	Y	Y	Y	Y
5311	Interest Revenue - Investments	C	Y	Y	Y	Y	Y
5318	Contra Revenue for Interest Revenue - Investments	D	Y	Y	Y	Y	Y
5319	Contra Revenue for Interest Revenue - Other	D	Y	Y	Y	Y	Y
5320	Penalties, Fines, and Administrative Fees Revenue	C	Y	Y	Y	Y	Y
5329	Contra Revenue for Penalties, Fines, and Administrative Fees	D	Y	Y	Y	Y	Y
5609	Contra Revenue for Donations -Financial Resources	D	N		T		Y
5619	Contra Donated Revenue - Non-financial Resources	D	N		T		
5700	Expended Appropriations	C					

5720	Financing Sources Transferred In Without Reimbursement	C	F	Y			
5730	Financing Sources Transferred Out Without Reimbursement	D	F	Y			
5780	Imputed Financing Sources	C	F	Y			
5900	Other Revenue	C	Y	Y	Y	Y	Y
5909	Contra Revenue for Other Revenue	D	Y	Y	Y	Y	Y
5990	Collections for Others-Statement of Custodial Activity	D	Y	Y	Y	Y	S
5991	Accrued Collections for Others-Statement of Custodial Activity	D	Y	Y	Y	Y	S
5993	Offset to Non-Entity Collections - Statement of Changes in Net Position	D	F	Y			A
5994	Offset to Non-Entity Accrued Collections _ Statement of Changes in Net Position	D	F	Y			A
7110	Gains on Disposition of Assets	C	N		Y	Y	
7190	Other Gains	C	Y	Y	Y		

Table A-2, Key to Above Table

Column Heading	Field Values
Normal Balance Indicator	D represents debit balance C represents credit balance
Federal/ Non Federal	Y means that the field must be populated with either F or N F means Federal N means Non Federal
Trading Partner	Y means that the field is required NASA must provide the Treasury Department Code of the other Federal entity involved in transactions with the reporting entity.
Exchange/Non Exchange	Y means that the field is required. T in this column means that the required indicator for this specific general ledger account. X indicates the revenue balance being reported is exchange revenue; T indicates that the revenue balance being reported is non-exchange revenue.
Budget Sub Function	Sub functions used in the classification of data according to major purpose served. Congressional Budget Act of 1974 requires these classifications.
Custodial/Non Custodial	- Indicates whether the balance being reported is custodial (S) or non custodial (A) in nature, and was reported in a Statement of Custodial Activity or separate footnote of custodial activity. NASA reports custodial activity in a separate footnote.

For further Government wide guidance on the attributes for these accounts, refer to the Treasury USSGL.